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MINISTER OF NORTHERN AFFAIRS AND NATIONAL RESOURCES

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MINING ACTIVITY IN THE YUKON TERRITORY IN 1957

by Hon. Alvin G. Hamilton

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MINISTER OF NORTHERN AFFAIRS AND NATIONAL RESOURCES

The most interesting mining development in the Yukon Territory during the past season was the discovery of a second asbestos deposit fifty miles northwest of Dawson on a tributary of the Fortymile River. The discovery was made by an Indian who staked thirty-two mineral claims on the showing. One producing mine in the Yukon ceased operations in September 1957 due primarily to the decreased prices of base metals. Another property was activated in the White River area on a high grade nickel-copper deposit where underground work was commenced in an effort to determine ore reserves. This underground work is presently continuing and an adit and internal shaft as well as considerable lateral development has been done at the property. Exploration activities were widespread throughout the Yukon Territory but other than finding the new asbestos deposit no other new mineral discoveries were reported. A deep well test was made on the Eagle Plain oil and gas Reservation where a well was drilled to over 8,000 feet in depth. The company have termed this hole a "scientific success" but have not released any information concerning their findings. As a direct result of the deep well test being made in this region, several other major oil companies have made application for oil and gas permits under the Territorial Oil and Gas Regulations where they will be required to expend over \$1,000,000 in the next eighteen months on exploration work to hold their permits in good standing.

In order to familiarize the reader with the areas of activity in the Yukon Territory, for purposes of orientation, exploration and development in each mining district is summarized for the calendar year 1957.

Dawson Mining District

Although the main production from mining in the Dawson Mining District has been from a large company operating dredges for placer gold, with the finding of asbestos in the district activities are being directed towards lode mining. The aforementioned company operated seven gold dredges and one

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each mining district is summarized for the calendar year 1957.

Dawson Mining District

Although the main production from mining in the Dawson Mining

District has been from a large company operating since 1910, with

the finding of asbestos in the district activities have turned towards late

mining. The aforementioned company operated seven gold-bearing

hydraulic plant on Bonanza, Hunker, Dominion and Sulphur Creeks from the 1st of May, 1957, to the 30th of November, 1957. Over 6,000,000 cubic yards of gravel and bed rock were dredged during this period and over 1,000,000 cubic yards of ground was stripped for future dredging operations. The payroll and supplies amounted to an expenditure by the company of approximately one and one-half million dollars for the year of 1957 and the company reported that the season for dredging was favourable.

There are individual operators, for the most part using a bulldozer and sluice boxes, operating on many creeks throughout the district. Although the water supply was plentiful during the spring it was poor for the rest of the season which accounted for the low gold production during the season by individual placer operators.

Another company in the Sixtymile River area with a crew of twenty-four men commenced work with a dredge on the 20th of April, 1957, and finished on the 25th of September, 1957. They reported a very dry season and they had to return water for sluicing most of the time but were able to carry out stripping operations on ground ahead of the dredge for present and future operations. One hydraulic operation was active at Miller Creek using two bulldozers and sluicing where they moved approximately 50,000 cubic yards of material and produced 600 ounces of gold. Another hydraulic operation was conducted at Bedrock Creek where they produced 1,000 ounces of gold.

In the Henderson-Thistle Creek area at Kirkman Creek, two bulldozers, sluices and pump were used during the season from the 15th of May to the 7th of October, 1957, where 600 ounces of gold was produced. Water supply in this area was reported as being fair all season.

There were 577 quartz claims in good standing in the Dawson Mining District at the end of the year of which 392 claims were located during 1957, most of them in the area of Clinton Creek on asbestos showings. The other quartz claims in the district have been staked on showings of silver, lead, zinc as well as sulphides containing copper.

The new discovery of asbestos previously mentioned at Clinton Creek is being developed by two adits which are each being driven approximately 3,000 feet with the deposit being bulk sampled and the samples trucked to Northern British Columbia for analysis. The work on the first asbestos discovery in this district at Cassiar Creek has been continuing with a similar bulk sampling program and from present indications each of these areas could conceivably be sizable mining camps in the not too distant future.

The asbestos finds at Cassiar Creek and Clinton Creek have created a feeling of optimism and encouragement for the people of the Dawson Mining District as this represents the first time in the history of the area that any hard rock prospect has been developed to the point of actual mining. This activity will probably start other quartz mining development in the general area where many strategic minerals are known to occur.

Mayo Mining District

The only producing mine in this district is located at Galena Hill and during the year they produced silver-lead-zinc ore valued at approximately \$11,000,000. Their production has been curtailed to a certain extent due to the decreased prices of base metals but with the amount of silver contained in the ore, it is still considered economical to continue operations. Another mining company with their own mill were not able to continue operating and they have temporarily suspended their operations. There was some activity on exploration and development early in the season on base metal deposits but the market conditions curtailed further exploration during the late season.

Whitehorse Mining District

The only producing mine in this district is a coal mine at Carmacks where operations continued at a normal rate. The work on the lower entry to the mine was stopped during the year because of the difficulty in driving through the sand encountered in the development heading. It is possible that when this

The new discovery of asbestos previously mentioned at Ginnon Creek's being developed by two shafts which are each being driven approximately 15000 feet with the deposit being both sampled and the samples treated to determine their suitability for analysis. The work on the first asbestos discovery in this district at Cassiar Creek has been continuing with a trial shaft being driven and from present indications each of these shafts could conceivably be establishing camps in the not too distant future.

The asbestos finds at Cassiar Creek and Ginnon Creek have created a feeling of optimism and encouragement for the people of the Lawson Mining District as this represents the first time in the history of the area that any hard rock prospect has been developed to the point of actual mining. This activity will probably start other prospecting developments in the general area where many strategic minerals are known to occur.

Lawson Mining District

The only producing mine in this district is located at Ginnon Hill and during the year they produced silver-lead-zinc ore valued at approximately \$1,000,000. Their production has been restricted to a certain extent due to the increased prices of base metals but with the amount of silver contained in the ore, it is still considered economical to continue operations. Another mine company with their own mill were not able to continue operating and they have temporarily suspended their operations. There was some activity in exploration and development early in the season on base metal deposits but the market conditions curtailed further exploration during the late season.

Lawson Mining District

The only producing mine in this district is coal mine at Ginnon Hill. Their operations continued at a normal rate. The work on the lower entry in the mine was stopped during the year because of the difficulty of working through the and encountered in the development heading. It is possible that work will

material freezes, development may continue this winter. Most of the production goes to the producing silver-lead-zinc mine on Galena Hill. However, there was an increased demand for coal in the town of Whitehorse this past year.

As has previously been mentioned, a nickel-copper deposit is being developed in the White River area. A 2-compartment vertical winze has been completed 350 feet below the adit level and development will proceed on the two lower levels as soon as hoisting arrangements are completed. A complete mining camp has been established near the Alaska Highway and an aerial tramway has been built near the mine portal to carry materials down the steep slope of the river bank. An access road has been completed and is being maintained. One can drive to the top of the bank about 100 yards above the portal. Development work will continue underground in an effort to determine the ore reserves.

There was a trend late in the season of 1957 to hard rock gold mining possibilities in the Yukon Territory. It has been reported that the gold mine in the Mount Freegold area has been re-examined during the past season. This gold mine is known to contain values running at 1 1/2 ounces of gold per ton and although attempts have been made in the past to bring the mine into production, the only successful attempt was made in 1940 when approximately 1,430 ounces of gold was recovered from mining approximately 1,450 tons of ore.

Exploration activities continued in the Ross River area on base metal prospects and some activity was reported in the upper Liard River area where diamond drilling was conducted on copper showings. Molybdenum is known to occur near Aishihik Lake and antimony in the Wheaton River area and it is reported that there was some activity in both these areas during the past season. In addition, placer gold mining continued on Burwash Creek and in a few other scattered localities throughout the district although there is little information available on the placer activities in such areas.

There were 801 quartz claims and 66 placer claims recorded in the Yukon Territory during the calendar year and following are the preliminary figures on mineral production:-

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MINERAL PRODUCTION - YUKON TERRITORY

	1956		1957 X	
	<u>Quantity</u>	<u>Value</u>	<u>Quantity</u>	<u>Value</u>
Gold.....	72,001 ozs.	\$2,480,434	69,954 ozs.	\$2,346,257
Silver....	6,192,706 ozs.	5,553,619	6,313,278 ozs.	5,513,386
Lead.....	25,604,220 lbs.	3,971,215	25,095,537 lbs.	3,503,337
Zinc.....	21,052,518 lbs.	3,124,194	17,475,430 lbs.	2,112,779
Cadmium..	244,628 lbs.	415,868	164,165 lbs.	279,080
Coal.....	9,372 tons	111,104	8,131 tons	96,299
TOTAL		\$15,656,434		\$13,851,138

* Preliminary Figures.

Ottawa, 28 February, 1958.

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